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PROPOSED MARKETING AGREEMENT FOR MILK RICHMOND (VA.) MILK SHEET

This proposed tentative marketing agreement has been drafted by the Richmond Cooperative Milk Producers Association pending formal date for hearing before the Secretary of Agriculture, at Washington, D. C.

AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

- a. "Contracting Producer" means the Richmond Cooperative Milk Producers Association and such other producers of milk sold or consumed in the Richmond Metropolitan Sales Area as may become parties signatory to this agreement according to the terms thereof.
- b. "Contracting distributor" means members of the Richmond Distributors' Organization and such other distributors and/or processors of "fluid milk" in the Richmond Metropolitan Area, as may become signatory to this agreement according to the terms thereof.
- c. "Dairy Council" means the Richmond Dairy Council, a non-profit organization to be organized, supported and controlled jointly by "Contracting producers" and "Contracting distributors" for the purpose of milk advertising and health education.
- d. "Fluid Milk" means all milk and cream and such fluid derivatives thereof as are sold, wholesale or retail, bulk or bottle, by the "Contracting Distributors" in the Richmond Metropolitan Sales Area."
- e. "Richmond Metropolitan Sales Area" means the City of Richmond, Virginia, and the territory lying approximately within 18 miles distant, airline, from the zero milestone in the Capitol Square, at Richmond, Virginia, as outlined in Exhibit "D".
- f. "Richmond Milk Production Area" means and includes the territory bounded in Exhibit "E".
- g. "Secretary" means the Secretary or Acting Secretary of Agriculture of the United States.
- h. "Association" means the Richmond Cooperative Milk Producers Association.
- i. "Class #1 sales" means and includes all milk sold as fluid milk by the "Contracting Distributors", wholesale or retail, bulk or bottle, in the Richmond Metropolitan Sales Area, except milk for manufacturing.

2.

- j. "Class #2 sales" means and includes all milk received from producers (1) not included in either "Class #1 or Class #3 sales" as defined herein, (2) all milk shipped out of the Richmond Metropolitan Sales Area in the form of fluid milk.
- k. "Class #3 sales" means and includes (1) all milk received from producers within the Richmond Metropolitan Sales Area" and manufactured into 40% cream and sold for manufacture within the "Richmond Metropolitan Sales Area" and (2) all milk received from producers within the "Richmond Milk Producing Area" and manufactured into 40% cream and sold outside the Richmond Metropolitan Sales Area". (See Exhibit "A", paragraph e.)
- l. The Adjustment Fund shall be defined and shall operate as set forth in Exhibit "F".
- m. "Act" means Agricultural Adjustment Act, approved May 12, 1933, as amended.

THE PARTIES to this Agreement are the Richmond Cooperative Milk Producers' Association, and such producers not members of said Association who may become parties hereto, the "Contracting Distributors", and the "Secretary".

WHEREAS, pursuant to the "Act the parties hereto, for the purpose of correcting the conditions now obtaining in marketing of "fluid milk" in the Richmond Metropolitan Sales Area" desire to enter into a marketing agreement under the provisions of Section 8 (2) of the "Act", and

WHEREAS, Richmond Cooperative Milk Producers' Association markets more than 60% of the milk distributed and consumed in the "Richmond Metropolitan Sales Area" as "fluid milk" and represents that it has corporate power and authority to enter into this Agreement, and

WHEREAS, such distributors as sign this Agreement distribute more than 60% of the "fluid milk" distributed in the "Richmond Metropolitan Sales Area", which said "fluid milk" distributed in the "Richmond Metropolitan Sales Area" comprises a substantial part of the milk marketed by the Richmond Cooperative Milk Producers' Association, and

WHEREAS, the marketing of milk produced for distribution in the "Richmond Metropolitan Sales Area" and distribution thereof affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled.

NOW, THEREFORE, in consideration of the premises the parties hereto agree as follows:

1. The schedule governing the prices at which and the terms and conditions under which milk shall be sold by the "Contracting Producers" and purchased by the "Contracting Distributors" for distribution or consumption in the "Richmond Metropolitan Sales Area" shall be those set forth in Exhibit "A", which is attached hereto and made a part hereof. Such schedule may be changed by agreement between the "Contracting Producers" and the "Contracting Distributors".

tors', provided, such changes shall become effective only upon written approval of the "Secretary".

Payments to the Richmond Cooperative Milk Producers' Association, by members thereof and payments to such other agency approved by the "Secretary", by producers not members of the Richmond Cooperative Milk Producers' Association, made pursuant to paragraph 4 and paragraph 5 of Exhibit "A" hereof, shall both respectively, be deemed part of and included in the price paid to producers.

2. The marketing plan governing the marketing of milk shall be that set forth in Exhibit "B", which is attached hereto, made a part hereof. Such marketing plan may be modified by agreement between the contracting producers and the contracting distributors, provided, such modified plan shall become effective only upon the "approval of the Secretary."

3. The schedule governing wholesale and retail prices at which and the terms and conditions under which milk shall be distributed by the contracting distributors in the Richmond Metropolitan Sales Area shall be that defined and set forth in Exhibit "C" which is attached hereto and made a part hereof. Such schedule may be changed by agreement between contracting producers producing and contracting distributors distributing 60% of the milk sold in the Richmond Metropolitan Sales Area, provided, such price changes shall become effective only upon the "approval of the Secretary."

4. The "Contracting Distributors" agree that they will not purchase milk from any new producer not in the "Richmond Milk Production Area", but they may purchase from producers outside of the "Richmond Milk Production Area" now having Richmond City Health Department permits, so long as such permits are retained, nor will said "Contracting Distributors" purchase milk from any producer not a member of the Richmond Cooperative Milk Producers' Association, unless such producer authorizes the purchasing "Contracting Distributor" to pay over to such other agency approved by the "Secretary" the same amount per hundred pounds of milk purchased which the members of the Richmond Cooperative Milk Producers' Association are then authorizing the "Contracting Distributors" to pay over to the Richmond Cooperative Milk Producers' Association, on behalf of its members for brokerage. All said purchasing "Contracting Distributors" shall simultaneously with making payment to the producer for milk purchased make such payments to the Richmond Cooperative Milk Producers' Association, or such other agency approved by the "Secretary".

5. All producers of milk whose farms are within the "Richmond Milk Production Area", and the marketing of whose milk is not prohibited by the health laws and ordinances applicable to marketing of milk by said Richmond Cooperative Milk Producers Association, shall, as heretofore, be permitted to become members of the Richmond Cooperative Milk Producers Association, on an equal basis with existing members similarly circumstanced.

6. The "Contracting Producers" and the "Contracting Distributors" shall, as and to the extent required by the "Secretary", severally maintain systems of accounting which shall be satisfactory to the "Secretary", and their respective books and records shall be subject to his examination during the usual hours of business, and they shall severally, from time to time, furnish to the

"Secretary" on and in accordance with forms to be supplied by the Department of Agriculture such information as the "Secretary" may request. It is agreed as between the "Contracting Distributors" and the Richmond Cooperative Milk Producers Association, that the books and records of such "Contracting Distributors" as purchase any part of their supply of milk from the Richmond Cooperative Milk Producers Association, shall respectively be subject to the examination of a representative of the Richmond Cooperative Milk Producers Association, during the usual hours of business to the extent necessary to determine the total purchases and sales of milk in the various classes set up in this Agreement and the Exhibits, and shall severally furnish to the Richmond Cooperative Milk Producers Association, on or before the 15th of each month, a report of the totals of the same. With such "Contracting Distributors" the Richmond Cooperative Milk Producers Association, shall operate an adjustment fund through the use of which such "Contracting Distributors" shall pay on all "Class 1 and Class 2 sales" the prices respectively each month for exactly the amount of "Class 1, Class 2 milk" sold by them respectively as "Class 1 and Class 2 sales" each month, showing their records for same, and all milk purchased not accounted for as "Class 1" or "Class 2 sales" shall be accounted for as "Class 3 sales" at the monthly prices to be established as set forth in paragraph 11 of Exhibit "A".

7a. All other "Contracting Distributors" who do not purchase their entire supply from the Richmond Cooperative Milk Producers Association, and such Agency as such "Contracting Distributors" shall select with the approval of the "Secretary" shall operate a like adjustment fund through the use of which these "Contracting Distributors" shall receive the same benefits and pay for their milk on exactly the same basis severally as those "Contracting Distributors" with whom the Richmond Cooperative Milk Producers Association, operates its adjustment fund. The books and records of these "Contracting Distributors" being open under the same circumstances and to the same extent to the agency operating an adjustment fund with them as outlined above for those distributors purchasing from the Richmond Cooperative Milk Producers Association.

7b. The Adjustment Funds of the Richmond Cooperative Milk Producers Association, and other Agency approved by the "Secretary" shall be consolidated and operated as one fund by a committee of three (3) members, one chosen by the Richmond Cooperative Milk Producers Association, one by the majority of the "Contracting Distributors", and the Director of the Virginia Extension Service, all such members to be subject to confirmation by the "Secretary".

7c. All "Contributing Distributors" shall, within ten (10) days after the effective date of this Agreement, severally report their total monthly amounts of milk received and the monthly amounts of "fluid milk" sales for the months of May, June and July, 1933. Those purchasing through the Richmond Cooperative Milk Producers Association shall so report to that Association, and those not purchasing through that Association shall so report to such agency as may be approved by the "Secretary".

8. All "Contracting Producers" and all "Contracting Distributors" shall respectively contribute and pay to the "Dairy Council" which is to be set up, one-tenth of a cent per gallon on all "Class 1 Sales" for the maintenance of its milk advertising and health educational work on the 15th day of each month for the preceding month.

9a. The health standards governing the production, receiving, transportation, processing, bottling and distribution of "fluid milk" and its derivatives sold or distributed in the "Richmond Metropolitan Sales Area" shall be those established by the various health ordinances of the cities in which it is sold and also the milk regulations of the states within the Richmond Milk Production Area".

9b. That for the purpose of cooperating with the Department of Health in protecting the milk supply of the "Richmond Milk Production Area", no "Contracting Distributor" will be permitted to purchase outside said area any part of his supply of milk for "Class 1 or Class 2 sales" so long as there is available within said area an adequate supply of such milk.

10. This Agreement shall become effective at such time as the "Secretary" may declare above his signature attached hereto: and shall continue in force until the last day of the month following the aforesaid effective date, and thereafter from month to month, except that:

(a) The "Secretary" may, (and shall upon the request of either 60% of the "Contracting Producers" or 90% of the "Contracting Distributors" such percentages to be measured by volume of milk marketed or "fluid milk" distributed, respectively) by notice in writing deposited in the registered mail, and addressed to the Richmond Cooperative Milk Producers Association, the Richmond Dairy Council, the Richmond Distributors Organization, and such contracting distributors and producers as are not members of the Richmond Distributors Organization, or the Richmond Cooperative Milk Producers Association, respectively, at the respective addresses then on file with the "Secretary" on or before the 15th day of any month terminate such contract as of the end of such month.

(b) The "Secretary" may for good cause shown as of the end of any month terminate this Agreement as to any party or parties signatory hereto by notice in writing deposited on or before the 15th day of each month in the registered mails and addressed to such party or parties at the address or addresses of such party or parties then on file with the "Secretary".

(c) This agreement shall in any event terminate whenever Title 1 of the Act shall cease to be in effect, or whenever the President or Congress shall terminate those provisions of the Act which authorizes this agreement.

10a. The benefits, privileges and immunities conferred by virtue of this agreement shall cease to exist upon the termination of this agreement and the benefits, privileges and immunities conferred by virtue of this agreement upon any party or parties signatory hereto shall cease to exist upon the termination of this agreement as to such party or parties.

IN WITNESS WHEREOF the parties hereto have affixed their signatures and seals as of this 3rd day of August, 1933.

RICHMOND COOPERATIVE MILK PRODUCERS ASS'N.

By Sam'l R. Carter

President.

WITNESS:

J. G. Jefferson Jr.

Vice-President.

BY _____

WITNESS:

BY _____

WITNESS:

BY _____

WITNESS:

EXHIBIT "A"

PRODUCTION PRICES OF "FLUID MILK"

1. Prices paid to producers shall be determined with reference to the "Rules of Control of Basic Production," (set forth in Exhibit "B" to this agreement), which set up definite quantities of milk known as Classes 1 and 2 for each producer. Class 3 milk as applicable to the Producer shall be such additional milk as is produced by said producer over and above Class 1 and 2 quantities above.

2. All milk shall be received and paid for by weight.

3. The prices paid the Producer shall be as follows:

a. The price of Class 1 "AA Guernsey milk," f.o.b. Richmond, shall be \$4.19 per cwt. (36¢ per gal.) for milk of 4.5% B.F. content, subject to a butterfat differential of 5¢ per cwt. per one-tenth of one percent of butterfat content above or below 4.5%.

b. The price of Class 1, "AA Jersey milk", f.o.b. Richmond shall be \$4.19 per cwt. (36¢ per gal.) for milk of 4.5% content, subject to a butterfat differential of 5¢ per cwt. per one-tenth of one percent of butterfat content above or below 4.5%.

c. The price of Class 1, "AA milk," f.o.b. Richmond, shall be \$3.02 per cwt. (26¢ per gal.) for milk of 4.0% B.F. content, subject to a butterfat differential of 5¢ per cwt. per one-tenth of one percent of butterfat content above or below 4.0%.

d. The price of Class 2 milk f.o.b. Richmond, shall be \$2.21 per cwt. (19¢ per gal.) for milk of 4.0% butterfat content, subject to a butterfat differential of 5¢ per cwt. per one-tenth of one percent butterfat content above or below 4.0%.

e. The price of Class 3 milk, f.o.b. Richmond, will be computed as follows, with the per unit butterfat differential above or below 4.0%. Take the average N.Y. 92 score butter price for the month, add the differential applicable to that average (see below), multiply by 33 and divide by 100 and the result shall be the price per gallon of Class 3-4.0% milk.

When average price of butter is below 20¢, add 16¢					
"	"	"	"	"	" between 21¢ and 30¢, add 17¢
"	"	"	"	"	" 31¢ and 35¢, add 18¢
"	"	"	"	"	" 36¢ and 40¢, add 19¢
"	"	"	"	"	" 41¢ and up, add 20¢.

f. The price of Class 1 cream sold as such by the Producer, f.o.b. Richmond, shall be 67¢ per lb. butterfat, Class 2 cream 43¢ per lb. butterfat, and Class 3 the same price per lb. butterfat as herein provided for class 3 milk.

4. All milk and/or cream delivered in any month shall be paid for not later than the 15th of the following month, and according to the average butterfat test of not less than three one-day fresh samples during each month taken and tested by the same independent laboratory as the majority of the contracting distributors and contracting producers may select. In case of disagreement, the Secretary shall select the laboratory. The month used for testing purposes shall be the period from the 25th of preceding month to, and including, the 24th of the month for which payment is made. The cost of such testing shall be paid for equally by the distributor and producer concerned, and not later than the 15th. of the month following the month for which said tests are made, except the Association will pay for its members' part of their tests, and the agency handling the non-member brokerage may, with the approval of the Secretary, pay the part for the non-members' tests. It is also agreed that the Association shall have the right to check the weights of the milk and cream of its members at the plants of the contracting distributors. It is also agreed that the

Association, and contracting distributors shall have the right to check tests of the independent laboratory making the tests upon which the producers are paid.

EXHIBIT "B"

MARKETING PLAN

RULES FOR CONTROL OF CLASS 1 AND CLASS 2

1. For the purpose of this agreement the terms "Class 1 and Class 2" as used in respect to any producer shall be the monthly allotment of milk in those classes, respectively, set up as follows:

The average monthly amount of milk shipped by each producer, now shipping milk to the Richmond market, for the years 1928, 1929, and 1930, and the average monthly amount of milk shipped by each producer, now shipping to the Richmond market, who has commenced shipping since January 1, 1928, for a period of three years or such part thereof as he has been shipping, commencing with his first shipment, shall be known as his "production quantity".

The total production quantity for the market shall be the sum of the individual production quantities as above arrived at.

The average of the total monthly sales of Class 1 and Class 2 milk as herein defined, respectively, of all the distributors in the Richmond Metropolitan Sales Area for the months of May, June and July, 1933, shall be the "Total Average Monthly Sales of Class 1 and Class 2," respectively.

Each producer shall be given the percentage of his "production quantity" in Class 1 and Class 2, respectively, that the "total production quantities" bears to the total sales in Class 1 and Class 2, respectively.

A Guernsey Producer shall be allotted in Guernsey milk such a percentage of his Class 1 allotment as the total Class 1 allotment of all guernsey producers bears to the total guernsey sales and the balance of his Class 1 allotment shall be in "AA".

A Jersey Producer shall be allotted in Jersey milk such a percentage of his Class 1 allotment as the total Class 1 allotments of all Jersey producers bears to the total Jersey sales and the balance of his Class 1 allotment shall be in "AA".

An "AA" producer shall be allotted all of his Class 1 milk in "AA".

2. New producers within the Richmond production area be admitted to the market as market conditions may permit, as determined by the Secretary or such agency as he may designate, and, when admitted, shall be allowed from

the time they start shipping to October 1st of that year, 30% of each month's shipments as Class 1, and 30% as Class 2, and the remainder, Class 3. From October 1st to December 31st, inclusive, of their first year, during which period they will establish their definite Class 1 and Class 2 amounts, they shall be allotted such additional percentage of Class 1 and Class 2, respectively, as market conditions permit, as determined by the Secretary or such agency as he may designate. At the end of this three months period, the average monthly amount in those classes shall be their definite Class 1 and Class 2 amounts, respectively, all over these amounts being Class 3.

3. The owner of a Class 1 and Class 2 amounts and a herd may move them all to another farm within the Richmond Production Area and retain his amounts, but an owner whose farm is situated within the Richmond Production Area may not move his herd out of that shed and retain his amounts on the Richmond market.

4. Producers who are tenants renting farms, upon moving to another farm within the Richmond Production Area, may retain their respective Class 1 and Class 2 amounts, if herd is owned by tenant, and permit and Class 1 and Class 2 amounts are made in his name.

5. The Class 1 and Class 2 amounts may be transferred from one party to another only by sale of the entire farm and entire herd to one party at one transaction, provided, such herd shall be maintained for twelve months consecutively thereafter on the first farm on which such herd shall be established after such transaction, but such transfer shall be made only after written notice to the Association or in case of a non-member to the agency designated by the Secretary.

6. No two Class 1 or Class 2 amounts, respectively, shall be added together, on one farm, except in cases of tenants and landlords each holding a part of Class 1 and Class 2 amounts who may add their respective portions of said amounts.

7. Upon the death of a producer, his Class 1 and Class 2 allotments shall pass to his estate and may be continued by his estate or disposed of as hereinbefore provided for.

8. Producers who do not make any shipment during the base months, (Oct., Nov. and Dec.) shall lose their Class 1 and Class 2 amounts, and producers whose shipments during the base months of any year, do not amount to as much when averaged for the said three months as their established Class 1 and Class 2 monthly amounts, respectively, shall be cut to the actual average monthly amounts shipped of Class 1 and Class 2, respectively, in those months, but the foregoing may be modified by agreement between the Association and the contracting distributors.

EXHIBIT "C"WHOLESALE AND RETAIL SELLING PRICESPROPOSED AGREEMENTPRODUCERS--DISTRIBUTORS--SECRETARY AGRICULTURERICHMOND METROPOLITAN SALES AREAMILKCansBottlesGal.Qts.Pts.1/2 Pts.1/4 Pts.Grade AA & Richelac

Retail		.12	.07	.05	
Wholesale	.39	.11	.06	.03 1/2	

Guernsey AA

Retail		.15	.08	.06	
Wholesale		.14	.07	.04	

BUTTERMILKSKIMMILK

Retail		.07	.05		
Wholesale	.20	.06	.04		

CREAMX - 20% B.F.

Retail		.45	.25	.15	.09
Wholesale	1.20	.35	.20	.12	.08

XX - 30% B.F.

Retail		.60	.35	.20	.12
Wholesale	1.80	.50	.28	.16	.10

XXX - 40% B.F.

Retail		.75	.40	.25	.15
Wholesale	2.40	.65	.35	.20	.12

EXHIBIT "D"RICHMOND SALES AREA.

Richmond sales area means and includes the territory embraced in a radius of 18 miles from the zero milestone in Capitol Square at the City of Richmond, Va., on the north side of James River, and the area embraced in a 10 mile radius from the same point on the south side of James River.

EXHIBIT "E"RICHMOND MILK PRODUCTION AREA.

Richmond milk production area means and includes the counties of Henrice, Hanover, Goochland, Powhatan, Amelia, and that part of Chesterfield County lying north of a line commencing at Bevils Bridge on the Appomattox River and thence following the county road to Winterpock, thence along the Winterpock county road #121 to its intersection with county road #15, thence along county road #15 by Beach to Chesterfield Court House, thence along State Road #407 to its intersection with county road #100, thence along county road #100 to James River at Farrar's Island.

EXHIBIT "F"ADJUSTMENT FUND

The Adjustment Fund provided and referred to in paragraphs 6, 7 and 8 is the fund into which each dealer will pay, or out of which he will receive, monthly, the difference between the actual amount he should pay for his milk and cream according to the classes in which it is sold as compared with the amount he has actually paid to the producers for that month's milk, according to the allotted amounts in the various classes to his various producers.

For example: If the total gallonage of a dealer's Class 1 sales is larger than his total gallonage of Class 1 purchases, he will owe the fund the difference. On the other hand, if his total Class 2 sales are less than his total Class 2 purchases, the fund will owe him the difference.

Each month all established "Class 1 milk" quantities and "Class 2 milk" quantities shall respectively be adjusted to equal the respective quantities of "Class 1 sales" and "Class 2 sales" in the market. For instance, if there be ninety percent (90%) of the established "Class 1 milk" and "Class 2" quantities sold, all producers shall be paid the "Class 1 milk" and "Class 2 milk" prices respectively for ninety percent (90%) of their established "Class 1 milk" and "Class 2 milk" quantities. If there be one hundred percent (100%) sold, all producers shall be paid one hundred percent (100%) of their established quantities. If there be one hundred and ten percent (110%) sold,

all producers shall be paid one hundred and ten percent (110%) of their established quantities and so on, resulting in every producer being paid on exactly the percent of the established "Class 1" quantities and "Class 2" quantities sold in the "Richmond Metropolitan Area" for that particular month.

EXHIBIT "G"

SCHEDULE OF FAIR PRACTICES

The following practices are considered unfair and shall not be engaged in by the contracting distributors or by their officers, or agents:

Samples: 1. It shall be considered unfair practice to put out goods as samples.

Misrepresentation: 2. It shall be considered unfair practice to sell goods which misrepresent the trade article.

Special inducements: 3. It shall be considered unfair practice to give to any store retailing milk, cream, or the derivatives of milk special inducements not enjoyed by the contracting distributors' general trade, or to exchange milk or cream.

4. It shall be considered unfair practice to give or pay to any hotel, apartment, or factory owners, managers, janitors, receiving clerks, maids, housekeepers, linen-room attendants, or any other persons, money, compensation, gratuity, free milk, cream, or the derivatives of milk, or discounts, for either business or information or assistance in procuring business; and any employee violating the provisions of this paragraph shall be discharged.

Milk licenses only are excepted from the provisions of paragraphs 3 and 4.

5. It shall be considered an unfair practice to give, loan, sell, or furnish, under any circumstances, ice boxes, ice, or other devices or means for refrigeration.

Premiums - Discounts: 6. It shall be considered unfair practice to pay premiums or allow discounts of any sort to new customers.

Paying employees: 7. It shall be considered unfair practice to give employees prizes of any description on new business or for new customers, or to offer to pay bonuses to employees for getting percentages of business.

Buying leads: 8. It shall be considered unfair practice to buy any leads from real-estate firms, moving companies, gas and telephone companies, or any other agencies or persons.

Advertising: 9. Except as the same may be conducted through an association of contracting distributors, it shall be considered unfair practice -

(a) To take advertising in any program, periodical, or publication of any kind whatsoever unless such publication has a general paid circulation or is for sale on news stands. Advertisements or display type in telephone directories, advertisements in hotel registers and radio advertising are to be considered in the same class as program advertisements.

(b) To conduct exhibits and displays, such as floats, wagons, automobiles, and similar displays in parades and like activities.

(c) To buy tickets for benefits, concerts, fairs, and exhibits.

Giving goods away: 10. It shall be considered unfair practice to give away goods.

Special routes: 11. It shall be considered unfair practice for the purpose of working a new building to put on, in a territory already adequately served by existing routes, a new route, without sufficient other business to constitute a whole route.

Exclusive devices: 12. It shall be considered unfair practice to contract for or to use any container, bottle, device, or to sell any beverage, including milk, which is controlled by a patent or copyright and which is not offered to dealers generally, unless the contracting distributor has sole interest therein or a shop right thereto. Existing contracts are excepted from the provisions of this paragraph.

Bottles, etc.: 13. It shall be considered unfair practice for any contracting distributor to use in the course of his business any bottle, can, or case the title to which is vested in another person, firm or corporation. It shall also be considered unfair practice for any contracting distributor to sell fluid milk in bottles except in those on which there shall be blown or otherwise noted words appropriately identifying the contracting distributor, and which bottles are sealed with caps bearing words appropriately identifying the contracting distributor. This paragraph shall not be construed to apply to stores or to persons reselling for consumption on the premises where sold.

Hiring employees: 14. It shall be considered unfair practice to hire any person as an employee while such person is in the employ of another contracting distributor.

15. It shall be considered unfair practice to place a salesman on a route which within one year previously he had covered in whole or in part for another contracting distributor.

Standardization: 16. It shall be considered unfair practice to sell soured cream of less than 18 percent butterfat content.

17. It shall be considered unfair practice to sell sweet cream retail in containers other than quarts, half pints, and gills.

14.

18. It shall be considered unfair practice to sell milk and/or cream over the counter other than at retail prices specified in Exhibit "C".

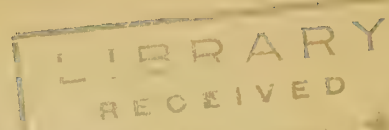
19. It shall be considered unfair practice to carry ice other than crushed ice on the wagons.

Special deliveries: 20. It shall be considered unfair practice regularly to make special deliveries to any particular retail customer.

Territories: 21. It shall be considered unfair practice for a contracting distributor to sell either for himself or as agent for another, in a territory which within one year previously has been covered by him in any capacity for another.

Retail: 22. No method or device shall be permitted whereby "fluid milk" is sold or offered for sale at a price less than that stated in Exhibit "C", whether by any discount, rebate, free service, or advertising allowance, or a combined price for such "fluid milk" together with another commodity where sold or offered for sale, separately or otherwise, except that a dealer may give, in soliciting trade, not more than one sample container to any one household, not already a customer, free of charge in any one month.

Wholesale: 23. No method or device shall be permitted whereby "fluid milk" is sold or offered for sale at a price less than that stated in Exhibit "C", whether by any discount, rebate, free service, or advertising allowance, or a combined price for such milk, together with another commodity where sold or offered for sale separately or otherwise. No "fluid milk" shall be sold at wholesale prices except to recognized restaurants, hotels and boarding houses and to persons, firms or corporations which purchase it for resale as such or after manufacture into milk derivatives.



MARKETING AGREEMENT FOR MILK - - - RICHMOND, VIRGINIA PRODUCTION AREA

The parties of this Agreement are the contracting distributors and the contracting producers and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress, as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended -

(1) to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefore, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909-July 1914, and in case of tobacco, the base period being the postwar period, August 1919-July 1929;

(2) to approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and

(3) to protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909-July 1914; and

WHEREAS, it is understood that to effectuate such declared policy, the contracting producers shall receive a fair proportion of the financial benefits resulting to the contracting distributors from this Agreement and acts done pursuant thereto until parity is achieved for the contracting producers, and that subject to the foregoing, at all times, efforts will be made by the contracting distributors to yield to the consumers a fair proportion of such financial benefits and savings; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto for the purpose of correcting the conditions now obtained in the production of milk in the Richmond production area for distribution of fluid milk in the Richmond sales area and the distribution thereof, and to effectuate the declared policy of said Act, desire to enter into a marketing agreement under the provision of Section 8 (2) of the Act; and

WHEREAS, the marketing of milk in the Richmond production area for distribution as fluid milk in the Richmond sales area and the distribution of said fluid milk are in both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled,;

NOW THEREFORE, the parties hereto agree as follows:

- I -

As used in this Agreement, the following words and phrases shall be defined as follows:

1. "Secretary" means the Secretary of Agriculture of the United States.
2. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.
3. "Person" means individual, partnership, corporation, association, trust, estate or any other business unit.
4. "Fluid Milk" means milk, cream, or any other of the articles listed in Exhibit C, which are sold for consumption in the Richmond sales area.
5. "Contracting Producers" means Richmond Cooperative Milk Producers' Association (a non-profit corporation organized and existing under the laws of the State of Virginia) and such producers and associations of producers of milk in the Richmond production area sold for consumption as fluid milk in the Richmond sales area (irrespective of whether any such persons perform any of the services set forth in definition 6, infra) as may become parties signatory hereto according to the terms hereof.
6. "Contracting Distributors" means the following persons engaged in the business of handling fluid milk (irrespective of whether any such persons are also producers of milk) for consumption in the Richmond sales area, as may become parties signatory hereto according to the terms hereof:
 - (a) Pasteurizers, bottlers, or other processors of fluid milk.
 - (b) Persons distributing fluid milk at wholesale or retail, (1) to hotels, restaurants, stores, or other establishments for consumption on the premises, (2) to stores or other establishments for resale, or (3) to consumers.
 - (c) Persons operating stores, milk stands, or other establishments selling fluid milk at retail for consumption on or off the premises.
7. "Richmond Sales Area" means that territory including the City of Richmond, Virginia, lying within the following boundary lines; Beginning at a point on the south side of James River; after James River in Chesterfield County where Proctor's Creek enters into said river: thence up Proctor's Creek in a Westerly direction to U. S. Route #1; thence north along said U. S. Route 1 to County Road 204; thence westerly along County Road 204 to State Road 410; thence north along said State Road 410 to the point where County Road 216 comes into said State Road 410; thence west along County Road #216 to County Road 108; thence north to intersection of County Road 205; thence west along said County Road 205 to Iron Bridge Road; thence southwardly along the Iron Bridge Road to Hundred Road #16 County; thence northwestwardly along County Road 16 to County Road 13 A; thence northwardly along County Road 13 A. to across Danville Highway to Midlothian Pike (State Road 13) into State Road 418; thence north along

418 to State Road 419; thence northwestwardly along 419 to the Powhatan County line; thence north along the Powhatan County line to James River; thence east down James River to a point on the south side of said river opposite the point on the north side of said river at the intersection of the boundary line between Goochland County and Henrico County; thence northerly to across said James River along said boundary line between Goochland County and Henrico County to Berca Church; thence easterly down Chickahominy River to State Road 420; thence northwesterly to Farrington and County Road 10; thence northeasterly along County Road 10 to intersection County Road 9; thence northward along County Road 9 to State Road 39; thence northwesterly along State Road 39 to Falling Creek; thence down Falling Creek northeasterly to South Anna River; thence down South Anna River to the C. & O. Railway to State Road 50; thence westerly along State Road 50 to County Road 4; thence along County Road 4 to County Road 110; thence along County Road 110 southeasterly to intersection County Road 111; thence easterly along County Road 111 to County Road 5; thence easterly along County Road 5 to State Road 421; thence across State Road 421 to County Road 109; thence south along County Road 109; ^{to county road 107} thence south along County Road 107 to County Road 8; thence south easterly along County Road 6 to County Road 103; thence along County Road 103 (across State Road 13) to State Road 414; thence down State Road 414 to Grape Vine Bridge on Chickahominy River; thence southeasterly down Chickahominy River to Charles City County line; thence southwardly along the County line between Henrico County and Charles City County line to Turkey Creek; thence down Turkey Creek to James River; thence up James River to Proctor's Creek to the point of beginning.

8. "Richmond Production Area" means the territory lying within the counties of Henrico, Hanover, Goochland, Powhatan, Amelia, and that territory, part of the county of Chesterfield lying within the following boundary lines:

Beginning at Farrar's Island on the south side of James River and thence along Island Road County 281; thence westwardly to County Road 100; thence south along County Road 100 to State Road 407; thence westerly along State Road 407 to Chesterfield Court House; to County Road 13; thence along County Road 13 to County Road 15; thence west along County Road 15 by way of Beach to County Road 121; thence west along County Road 121 to Winterpock; on County Road 238; thence southwestwardly along County Road 238 to County Road 117; thence westwardly along County Road 117 to Bevil's Bridge on Appomattox River; thence northwesterly up the said river to the county line between Powhatan County and Chesterfield county; thence northeasterly along the County line between Powhatan and Chesterfield Counties to James River; thence down James River to starting point at Farrar's Island.

"Richmond Production Area" also means those farms now holding permits from the City of Richmond and now selling milk pursuant to such permits in the Richmond Sales area.

9. "Subsidiary" means any person, of or over which the contracting distributor, who has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

10. "Affiliate" means any person which has, either directly or indirectly, actual or legal control of or over a contracting distributor, whether by stock ownership or in any other manner.

11. "Books and Records" means books, records, accounts, contracts, memoranda, documents, papers and correspondence, or other written data pertaining to the business of the person in question.

12. "Dairy Council" means Richmond Dairy Council (a non-profit corporation organized and existing under the laws of the State of Virginia), the Board of Directors of which shall be seven (7) in number to be named annually as follows: Two (2) by the Richmond Cooperative Milk Producers' Association; one (1) by contracting producers who are non-members of the Richmond Cooperative Milk Producers' Association; three (3) by the contracting distributors; said directors to be elected by a majority in number and in volume of milk distributed, provided however that no contracting distributor shall be represented by more than one member; and the seventh member to represent the consumers shall be elected by the other six. Such seventh member shall be a resident of the sales area and shall have no connection financially or otherwise with the distribution of milk or products derived therefrom.

13. "Milk Board" means the Milk Industry Board, a non-profit organization organized and existing under the laws of the State of Virginia, the Board of Directors of which shall be five (5) in number to be named annually as follows: Two (2) by the Richmond Cooperative Milk Producers' Association; two (2) by the contracting distributors by a vote of a majority in number and in volume of milk distributed, provided however that no distributor shall be represented on said Board by more than one member; one (1) by the Director of the Agricultural Extension Division of the Virginia Polytechnic Institute and Agricultural and Mechanical College; and said "Milk Board" may also mean any other agency or association which the Secretary may designate to perform similar functions as hereinafter set forth.

- II -

1. The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk, shall be that set forth in Exhibit A, which is attached hereto and made a part hereof. Payments to the Milk Board made pursuant to paragraph 4 of this Agreement and like payments to Richmond Cooperative Milk Producers' Association made pursuant to membership agreements or to paragraph 4 of this Agreement, shall, respectively, be deemed part of the price paid to producers, except for such part thereof as is to be paid by contracting distributors. The provisions of such schedule may be changed from time to time by agreement between sixty (60%) percent of the contracting producers, said percentage to be measured by the volume of milk produced and marketed, and a majority of the contracting distributors, said majority to be measured by the number of distributors and the volume of milk distributed as Class 1 and Class 2 milk as set forth in Exhibit A; provided, however, that such changes shall become effective only upon the written approval of the Secretary.

2. The plan governing the marketing of milk within the Richmond production area and Richmond sales area shall be that set forth in Exhibit B, which is attached hereto and made a part hereof. Such plan may be modified by agreement between the contracting producers and the contracting distributors, provided that such modified plan shall become effective only upon the written approval of the Secretary.

3. The schedule governing the prices at which and the terms and conditions under which fluid milk shall be distributed and sold by the contracting distributors in the Richmond sales area shall be that set forth in Exhibit C, which is attached hereto and made a part hereof. The provisions of such schedule may be changed from time to time by agreement between sixty (60%) percent of the contracting producers, said percentage to be measured by the volume of milk produced and marketed, and a majority of the contracting distributors, said majority to be measured by the number of distributors and the volume of milk distributed as Class 1 and Class 2 milk as set forth in Exhibit A; provided, however, that such changes shall become effective only upon the written approval of the Secretary.

4. (a) The contracting distributors agree that they will not purchase milk from any producer not a member of the Richmond Cooperative Milk Producers' Association unless such producer authorizes the purchasing contracting distributor to pay over to the said Milk Board the same amount per gallon of milk purchased which the members of the Richmond Cooperative Milk Producers' Association are then authorizing contracting distributors to pay over to the Richmond Cooperative Milk Producers' Association on behalf of its members, and said purchasing contracting distributor shall simultaneously with making payment for milk purchased from any producer not a member of the Richmond Cooperative Milk Producers' Association make payment as aforesaid to said Milk Board.

(b) The Richmond Cooperative Milk Producers' Association hereby agrees to pay to said Milk Board on the fifteenth of each month on behalf of its members the sum of one cent per hundred pounds of all Class I sales of milk made by its members during the preceding month. The purchasing contracting distributors further severally agree to pay to said Milk Board on the fifteenth of each month one cent per hundred pounds of fluid milk sold by them as Class I milk during the preceding month. Each producer who distributes milk or cream which is produced by him agrees to pay to said Milk Board on the fifteenth of each month one cent per hundred pounds of fluid milk sold by him as Class I milk during the preceding month. The aforesaid moneys shall be maintained as a separate fund by said Milk Board to be paid over by said Milk Board to said Dairy Council. The sum so paid to Dairy Council shall be maintained as a separate fund for the purpose of securing to producers and distributors advertising and educational benefits.

(c) The Richmond Cooperative Milk Producers' Association agrees to pay to the Milk Board on behalf of its members the sum of one cent per hundred pounds of fluid milk marketed by its members. The aforesaid moneys and a sum of money equivalent to one cent per hundred pounds of milk marketed as fluid milk by contracting producers who are non-members of the Richmond Cooperative Milk Producers' Association shall be used by said Milk Board for its necessary office, clerical and operating expenses as required for the efficient

administration of the distributors' pool equalization fund, salary of the auditor, (as more fully described in Exhibit B hereto attached* and the balance of the sum paid to said Milk Board by non-members of the Richmond Cooperative Milk Producers' Association shall be maintained as a separate fund by said Milk Board for the purpose of securing to said non-member producers' credit protection, price equalization on excess milk, testing, check-testing and other benefits similar to those which are secured by members of the Richmond Cooperative Milk Producers' Association by virtue of their like payments to said Richmond Cooperative Milk Producers' Association.

(d) The contracting producers and the purchasing contracting distributors undertake that Dairy Council and Milk Board shall dispose such respective funds for the purposes hereinbefore provided and that said Dairy Council and Milk Board shall maintain separate books and records in a form satisfactory to the Secretary, which said books and records shall be subject to the examination of the Secretary during the usual hours of business and said Dairy Council, Milk Board and Richmond Cooperative Milk Producers' Association shall from time to time furnish to the Secretary such information as the Secretary may require.

5. All contracting producers, not members of the Richmond Cooperative Milk Producers' Association, shall be permitted, to become members of the Richmond Cooperative Milk Producers' Association, on an equal basis with existing members similarly circumstanced.

6. The purchasing contracting distributors shall severally maintain systems of accounting which shall accurately reflect the true account and conditions of their respective businesses, which shall include any affiliate or subsidiary. Their respective books and records (including the books and records of such subsidiaries and affiliates) shall, during the usual hours of business, be subject to the examination of the Secretary to assist him in the furtherance of his duties with respect to this agreement, including verification by the Secretary of the information furnished on the forms hereinafter referred to. The contracting producers and the contracting distributors shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him, each of which reports shall be verified under oath. The Secretary, in his discretion, may permit the omission from any such report of any subsidiary or affiliated company. In the event that the Richmond Cooperative Milk Producers' Association, Dairy Council and Milk Board and the Secretary shall have occasion to collect identical information from the same parties, the Richmond Cooperative Milk Producers' Association, Dairy Council and Milk Board shall use forms acceptable to the Secretary and arrangements shall be made for duplicate reports to be submitted to the Secretary and the Richmond Cooperative Milk Producers' Association, Dairy Council and Milk Board. All information obtained by or furnished to the Secretary, pursuant to this paragraph shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand made by the President, by either House of the Congress, or any committee thereof, or by any court of competent jurisdiction. The Secretary, however, may combine and publish the information obtained from the contracting parties in the form of general statistical studies or data. The Secretary may make and issue such regulations and prescribe such penalties in accordance with provisions of Sub-Section (c), Section Ten (10* of the Act as he may deem advisable in the event

of any violation of the confidence or trust imposed hereby.

7. The standards governing the production, receiving, transportation, processing, bottling and distribution of fluid milk, shall be those established pursuant to or in accordance with the health laws, ordinances and regulations of the federal, state, municipal, or political subdivisions within which such milk is marketed and/or distributed.

8. The schedule of fair practices set forth in Exhibit D, which is attached hereto and made a part hereof, shall be the rules of fair practices for the Richmond sales area. Such schedule may be changed by agreement between the contracting distributors, provided that any change shall become effective only upon the written approval of the Secretary.

9. The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to Milk Regulations, Agricultural Adjustment Administration, Series 1, and General Regulations, Series 3 together with amendments thereto, prescribed by the Secretary and approved by the President, and subject to the terms and conditions not inconsistent with the purpose and effect of this Agreement, and not otherwise.

10. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated in one of the following ways:

(a) The Secretary may at any time terminate this Agreement as to all parties thereto by giving at least one day's notice by means of a press release or in any other manner the Secretary may determine.

(b) The Secretary may, for good cause shown, at any time, terminate this Agreement as to any party signatory hereto, by giving notice in writing, by depositing the same in the mail and addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of sixty (60%) percent of the contracting producers and seventy-five (75%) percent of the contracting distributors, such percentage to be measured by the volume of milk marketed or distributed respectively as Class 1 and Class 2 milk as defined in Exhibit A, by giving notice in the same manner as provided in subdivision (a) above.

(d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it shall cease to be in effect.

11. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges, and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party except with respect to acts done prior thereto.

12. The contracting producers and contracting distributors shall use their best efforts to assure the observance of the terms and conditions of this Agreement by such producers and distributors. Subject to such regulations as the Secretary may prescribe, it shall be the duty of the Milk Board:

(a) to receive and investigate complaints of violations of the terms or conditions of this Agreement and of any license issued in respect to this Agreement and to issue warnings with respect thereto;

(b) to adjust disputes arising under this Agreement between contracting producers and/or contracting distributors;

(c) to report his findings, with recommendations, to the Secretary for proceedings under the Act or otherwise which he may deem advisable;

(d) to cooperate in the establishment of, to establish, and to record bases for all producers, and to cancel bases of particular producers, in accordance with the provisions of Exhibit "B";

(e) to receive and act upon, in accordance with the provisions of Exhibit "B", the applications of new producers as determined in Exhibit "B";

(f) to receive and collect from distributors reports of sales of the various classes of milk and any other information required by the Milk Board in the performance of its duties;

(g) to review in accordance with the provisions of Exhibit "B" the operations of any sales pool, equalization fund, and marketing plan provided for in this Agreement;

(h) to account for all funds collected pursuant to this Agreement.

13. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute when taken together, one and the same instrument as if all such signatures were contained in one original.

14. After this Agreement first takes effect any producer or association of producers of milk for consumption as fluid milk or any distributor of fluid milk, may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. The Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this Agreement shall then be effective as to such new contracting party.

15. If any provision of this Agreement is declared invalid or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and/or the applicability thereof to any person, circumstance or thing shall not be affected thereby.
other

16. Nothing herein contained shall be construed in derogation of the right of the Secretary to exercise any powers granted him by the Act, and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

17. This Agreement offers no exemption from the anti-trust laws and does not make lawful any acts otherwise unlawful, excepting as provided in the Act to the extent necessary to accomplish the purposes of this Agreement.

18. The Secretary may by a designation in writing, name any person, including any officer or employee of the government, to act as his representative in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

IN WITNESS WHEREOF the contracting producers and the contracting distributors, acting under the provisions of the Agricultural Adjustment Act for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Agricultural Adjustment Act, approved May 12, 1933, as amended, as follows:

"Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power --

"(2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act"; and

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to provisions of the Act, and the regulations issued thereunder; and

WHEREAS, it appears after due consideration that this is a marketing agreement between the Secretary and persons engaged in the handling of milk and its products within the meaning of said section in the current of interstate commerce; and

WHEREAS, it appears after due consideration that the aforesaid marketing agreement will tend to effectuate the policy of Congress set forth in Section 2 of the Act in that such marketing agreement will

(a) establish and maintain such balance between the production of milk in the Richmond production area and consumption of such milk and its products in the Richmond sales area, and such marketing conditions therefor as will reestablish prices to the producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of the Act; and

(b) approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is possible in view of the current consumptive demand in domestic and foreign markets; and

(c) protect the consumer's interest by retaining the production of such agricultural commodity at such level as will not increase the percentage of the consumer's retail cost for such agricultural commodity or products derived therefrom which was returned to the farmer above the percentage which was returned to the farmer in the prewar period August 1909- July 1914; and

WHEREAS, I herewith give notice that

(1) the terms and conditions of this Agreement are agreed to as reasonable only in the light of conditions now prevailing in the Richmond production area and are not to be regarded as precedents for marketing agreements for other milk sheds or for future marketing agreements for the Richmond production area; and

(2) The Secretary reserves the privilege of approving a blanket marketing agreement, pursuant to Section 8 (2) of the Act, for all milk sheds, which blanket marketing agreement may make specific modifications for any particular designated milk shed to conform to the conditions then prevailing in such milk shed.

NOW, THEREFORE, I Henry A. Wallace, the Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and the official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of 1933; and pursuant to the provisions hereof, I declare this Agreement to be effective on and after 12:01 A.M., Eastern Standard Time, 1933.

Secretary of Agriculture.

EXHIBIT "A"

Prices To Be Paid Producers.

1. Prices to be paid to each producer by the contracting distributor shall be determined with reference to Exhibit B hereof which sets up a definite quantity of milk known as "Base".
2. For the purpose of determining prices on the basis of usage, distributors' sales shall be classified as follows:

Class 1 - All whole sweet milk sold as such in the Richmond sales area at retail, wholesale, bottled or in bulk except as sold or used for manufacturing purposes.

Class 2 - (1) All whole, sweet milk shipped as such out of the Richmond sales area. (2) All chocolate milk. (3) All cream sold at retail, wholesale, bottled or in bulk except that cream sold in lots of fifty gallons or more to wholesale ice cream manufacturers for manufacturing purposes only.

Class 3 - All milk delivered by producers not sold or used in Class 1 or Class 2 as above defined.

3. All milk shall be received and paid for by weight.
4. Contracting distributors shall pay producers the following prices F.O.B. the distributor's plant in the Richmond sales area for the milk which such contracting distributor has purchased:

Class 1 - \$3.02 per hundred pounds for milk containing 3.7% of butterfat subject to a butterfat differential of five cents per one-tenth of one per cent butterfat content above or below 3.7 per cent.

A producer who holds a permit from the city of Richmond for the sale of Grade "AA" milk shall be paid a bonus of twenty cents per hundred pounds for such a per cent of his base as the total sales of Grade "AA" milk bears to the total bases of all producers who hold such permits.

A producer who holds a permit from the City of Richmond for the sale of Grade "AA" Guernsey or Grade "AA Jersey" milk shall be paid an extra bonus (over the "AA" bonus above) of forty-nine cents per hundred pounds for such a percent of his base as the total sales of Grade "AA Guernsey and Jersey" milk bears to the total bases of all producers who hold such permits.

Class 2 - \$1.85 per hundred pounds for milk containing 3.7 per cent butterfat subject to a butterfat differential of five cents per one-tenth of one per cent above or below 3.7 per cent.

Class 3 - A price per hundred pounds calculated by multiplying the butterfat test of the milk by the average price for the month of 92 - score butter in New York as reported by the United States Department of Agriculture and adding to the resulting figure the sum of twenty-five cents.

5. The foregoing prices of Class 1, 2 and 3 milk shall be subject to deductions for payments to Dairy Council, Milk Board and to Richmond Cooperative Milk Producers' Association made pursuant to paragraph 4 of this Agreement.
6. Payments by contracting distributors for all milk received during any month shall be made not later than the 15th day of the following month, and according to the average butterfat test of not less than three one-day fresh samples during each month taken and tested by an independent laboratory selected by the Milk Board. The month used for testing purposes shall be the period from the 25th of preceding month to, and including, the 24th of the month for which payment is made. The cost of such testing shall be paid for equally, by the distributor and producer concerned, and not later than the 15th day of the month following the month for which said tests are made, except that the Richmond Cooperative Milk Producer's Association will pay its members their share of the cost of their tests, and the Milk Board shall pay the non-members' share of the cost of such tests from the non-member contracting producer's separate fund (as set forth in Paragraph 4 (c) of this Agreement). It is also agreed that the various parties hereto have the right to check the weights and tests of the milk and cream at the plants of the contracting distributors.
7. No contracting distributor shall purchase any milk or cream from a producer who is a distributor and distributes only the milk or cream which is produced except at the price paid for class 3 milk, provided, however, that the above restriction shall not apply to such distributor if he elects to participate in the market pool as set up in Article B of this exhibit.
8. The contracting distributors agree that they will purchase all the milk (provided it meets with all the health requirements provided for or referred to in this Agreement) produced by all producers within the Richmond production area who have established bases as described hereafter in Exhibit B. The Milk Board shall have the power to effect necessary and equitable allocations of producers to distributors to effectuate the declared policy as hereinabove set forth.
9. The contracting distributors agree that they will not purchase any milk which is produced without the Richmond production area to be used for Class 1 or Class 2 sale so long as an adequate supply of such milk is offered for delivery to contracting distributors within said area.

EXHIBIT "B"

MARKETING PLAN

1. As used in this Exhibit, the words "Producers" and "Distributors" mean both contracting producers and contracting distributors respectively, as defined in this Agreement.
2. As used in this Exhibit, "Equalization Fund" means the fund into which distributors shall make or from which they shall draw the payments provided for in this Exhibit.
3. For the purposes of this agreement the term "base" as used in respect to any producer, farm, or herd, as the case may be, shall be a daily quantity of milk expressed in pounds. Said "base" shall represent to the owner thereof his fair share of the sales of Class 1 and Class 2 milk in the Richmond Sales area.
4. The Milk Board shall employ a certified public accountant, hereinafter termed "auditor" who shall perform the duties herein set forth subject to the general supervision of the Milk Board. Said auditor shall receive all reports from distributors and shall have access to the records of said distributors for the purpose of verifying all reports. Information so obtained by said auditor shall be held by him in strictest confidence.
5. The Milk Board shall allot bases to all producers according to the following method:
 - (a) Within ten days after the effective date hereof, each and every contracting distributor shall report to the auditor the quantity of fluid milk sold by him as Class 1 and Class 2 milk respectively, during the months of May, June and July of the year 1933, and the total milk delivered to his plant by each producer or from his own farm or farms during the same months.
 - (b) Within the ten-day period as aforesaid, each and every contracting distributor shall likewise report to the auditor the average daily quantity of milk delivered to said distributor by each producer during the years of 1928, 1929 and 1930, and in the case of a producer who commenced selling milk in the Richmond sales area since January 1, 1928, for such three-year period or part thereof as commences with such producer's first shipment of milk.
 - (c) After appropriate verification by the auditor of said distributors' reports with original sale and purchase records, the auditor shall calculate the total combined average daily sales of Class 1 and Class 2 milk, and the total average daily delivery of milk by all producers.

- (d) Each producer shall have allotted as his base the same percentage of his average daily delivery as the total combined average daily sales of Class 1 and Class 2 milk of all distributors bears to the total of the average daily deliveries of all producers.
- (e) The Milk Board shall review the bases allotted as above. In the case of a producer who is a contracting distributor the Milk Board shall allot as the base of such producer, his average daily delivery of milk during the months of May, June, ^{July} 1933, instead of the base he would receive according to (d) above.
- (f) The Milk Board shall then report (1) to the Richmond Cooperative Milk Producers' Association the bases of its members (2) to distributors the bases of producers who are not members of the Richmond Cooperative Milk Producers' Association and (3) to each such non-member producer his individual base.

6. The files and records of the Milk Board as to bases of producers shall be open for the inspection of any producer or distributor during the usual hours of business of said Milk Board.

7. Any new producer (the term "new producer" as used in this Agreement shall be deemed to mean such producer who commences to sell milk within the Richmond sales area after the effective date of this Agreement) will be allowed to establish a base as hereinafter provided, and to sell milk on the basis of such established base only if such new producer first obtain a certificate of necessity (stating that marketing conditions permit the issuance thereof) from the Milk Board entitling him to a base and to sell milk pursuant to same, by making due written application to Milk Board upon forms supplied by said Milk Board. In the event that any such new producer is denied a certificate of necessity after having made such written application to the Milk Board, he shall have the right of immediate appeal to the Secretary in a manner to be determined by the Secretary. In the event that a certificate of necessity is issued to a new producer his established base shall be equal to twenty-five percent (25%) of his monthly production for his first ninety (90) days of production. The base so established during such 90-day period shall be deemed to be the established base for such new producer thereafter.

8. A producer may keep at home the excess of his production over his base. If a producer market such excess production in such manner as to compete in Class 1 and Class 2 sales in the Richmond sales area, said producer's base shall revert to the Milk Board for reallocation, said producer may then apply for a certificate of necessity and be allotted a new base as provided in the case of new producers in paragraph (7) above.

9. Producers changing from one distributor to another, may retain their same base, provided notice is given to the Milk Board at least fifteen days before said change is made.

10. A producer with a base who, as tenant, rents a farm may retain his base.

11. A tenant renting a farm within the Richmond production area may transfer his individual base from farm to farm with the established herd.

12. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If the cattle are jointly owned, whether in a landlord-and-tenant relationship or otherwise, the base will be divided between the joint owners according to the ownership of the cattle.

13. The separate bases of any landlord and his tenant or tenants may be combined and handled as a single base. When the landlord and tenant or tenants separate, the combined bases will be divided according to the proportion of ownership of the herd.

14. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to his purchaser, provided, however, that the entire herd is maintained for six months consecutively after such sale and transfer, either on the farm on which such herd shall have been established or upon the first farm to which such herd may be moved by the said purchaser.

In each transfer at least as many cows of producing age as made the base must be transferred under the above conditions, except that not more than two cows for family use may be retained if the producing herd is greater than ten cows and only one cow may be retained if the herd consists of ten cows or less. Where the above conditions are not strictly complied with, the base will revert to the Milk Board for reallocation.

15. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm -

(1) Which has supplied milk for fluid milk in the Richmond sales area within one year preceding, or -

(2) Which lies within the Richmond production area.

16. Where a herd is dispersed for any reason, without the base having been transferred with the said herd, the producer must replace the herd within ninety days if said base is to be retained by the producer.

17. Any producer who shall voluntarily cease to market milk for fluid milk in the Richmond sales area for a period of more than sixty days, shall forfeit his base. In the event that he resumes production thereafter he shall be treated, for the purpose of these rules, as if he were a new producer.

18. Any producer may combine all bases to which he may be entitled hereunder.

19. Any producer whose average monthly shipment for any three consecutive months, except April, May and June, is less than seventy per cent (70%) of his base will thereby establish a new base equal to such average daily shipment.

20. All established bases dropped or not retained by producers under these rules may be re-allotted by the Milk Board to producers. Any producer loses all rights to his established base where the base is transferred or is said base is not retained by him under these rules.

METHOD OF ADMINISTRATION OF DISTRIBUTORS' POOL AND EQUALIZATION FUND

1. The Milk Board shall administer the so-called distributors' pool and equalization fund. The auditor of the Milk Board shall receive all reports from distributors and shall have access to the distributors' books and records for the verification of reports. He shall also have available all reports of the Independent laboratories.

2. Not later than the seventh of each month each distributor shall report to the auditor the following figures for the preceding month:

(a) The total of all milk delivered to his plant by each producer and/or from his own farm or farms.

(b) The total sales in Class 1 of milk in its respective grades "A", "AA", "AA" Guernsey, "AA" Jersey.

(c) The total sales of Class 2 milk.

3. The auditor shall combine said reports and give a written report to each distributor and to the Richmond Cooperative Milk Producers' Association as to (1) the percent of the total bases of all producers sold as Class 1 milk, such percent to be adjusted so as to distribute any balance accumulated in the equalization fund for the previous month, (2) the percent of the total bases of Grade "AA" permit-holders sold in such grades, (3) the percent of the total bases of "AA Guernsey and Jersey" permit-holders sold in such grades and (4) the percent of the total bases of all producers sold as Class 2 milk.

4. Each distributor shall pay each producer for such percentages of the producer's base as falls into the several grades and classes of milk and at the prices therefor as set forth in Exhibit "A" herein.

5. The Milk Board shall maintain an adjustment account with each distributor. Said account shall be debited each month for the value of the milk purchased by the distributor, computed at the prices for the several classes and grades as set forth in Exhibit "A". Said account shall be credited for the amount actually paid to producers (including the deductions as set forth in paragraph 4 of this Agreement) for milk sold or used by the distributor during said month. Balances on adjustment accounts shall be settled with the Milk Board or by the Milk Board,

as the case may be, not later than the 25th of each month as to the previous month's business.

6. The purchase and sales records of distributors shall be available to the auditor during the usual hours of business for verification.

7. Any distributor who distributes only milk produced by himself is not required to participate in the market pool as herein set up, either as a producer or as a distributor.

EXHIBIT C

PRICE SCHEDULE FOR CONTRACTING DISTRIBUTORS' SALES

(a) Sales of the following articles in the Richmond sales area, made by contracting distributors, shall be at the prices hereinafter in this Exhibit set forth. Sales of the following articles in bottles shall be made only in bottles of the size specified, and where a grade and/or a percentage of butterfat content is specified, only at the specified grade and/or percentage of butterfat content. Provided, however, that there shall be a tolerance of one-tenth of one per cent above or below the specified percentage of butterfat content for milk and a tolerance of two per cent (2%) above or below the specified percentage of butterfat content for cream.

(b) It shall not be deemed a violation of this Agreement to add to the selling price of any article or articles hereinafter specified in this Exhibit, any sales or occupational taxes imposed by the laws of any state, if permitted by such laws, but any such additions shall be uniform as to all contracting distributors.

(c) The prices listed in the wholesale price schedule shall apply in connection with sales of the above articles ---

- (1) To stores, markets, and other places where milk is resold in its original container for consumption other than on the premises, and where such places have a license to handle milk, if any such license is required by the municipality in which said articles are sold.
- (2) To restaurants, drug stores, milk stands, confectioneries, hotels, clubs, and other places where said articles are used and/or consumed on the premises, and where such a place has properly complied with licensing requirements, if any, of the municipality in which it is situated.
- (3) To governmental institutions, public and parochial schools, and hospitals.
- (4) To boarding houses and fraternities who purchase daily twelve quarts of milk or more.

(d) Stores and markets as defined in paragraph (c) above are to sell all of the following products at not less than the price listed in retail price schedule.

(e) Contracting distributors may sell to any recognized public unemployment relief agency or to any established welfare charity at less than the prices hereinafter set forth. The Milk Board shall at once make recommendations to the Secretary on special prices for such relief milk at cost of distribution, without profit to distributors.

	Retail Price Schedule from Stores and Delivered to Homes	Wholesale Price Schedule
<hr/>		
Grade "A" Milk 3.5% Butterfat.		
Quarts.....	\$.12	\$.12
Pints.....	.07	.07
Grade "AA" Milk 4.0% Butterfat.		
Cans (per gallon).....	---	.42
Quarts.....	.13	.12
Pints.....	.08	.07
1/2 Pints.....	.05	.03-3/4
Richelac (Cultured Wholemilk).		
Quarts.....	.13	.12
Pints.....	.08	.07
1/2 Pints.....	.05	.03-3/4
Grade "AA" Guernsey & Jersey.		
Quarts.....	.15	.14
Pints.....	.09	.08
1/2 Pints.....	.06	.04-1/4
Chocolate Milk.		
Quarts.....	.13	.12
Pints.....	.08	.07
1/2 Pints.....	.05	.03-3/4
Buttermilk.		
Cans (per gallon).....	---	.24
Quarts.....	.08	.07
Pints.....	.05	.04
Skimmilk.		
Cans (Per gallon).....	---	.20
X Cream, 20% Butterfat.		
Cans (per gallon).....	---	1.20
Quarts.....	.45	.35
Pints.....	.25	.20
1/2 Pints.....	.14	.11
1/4 Pints.....	.08	.07
XX Cream, 30% Butterfat.		
Cans (per gallon).....	---	1.80
Quarts.....	.60	.50
Pints.....	.35	.28
1/2 Pints.....	.20	.16
1/4 Pints.....	.11	.09

	Retail Price Schedule from Stores and Delivered to Homes	Wholesale Price Schedule
<hr/>		
XXX Cream, 40% Butterfat.		
Cans (per gallon).....	---	2.40
Quarts.....	.75	.65
Pints.....	.40	.35
1/2 Pints.....	.25	.20
1/4 Pints.....	.15	.12
Ice Cream Mix.		
10% Butterfat (per gallon).....	---	.80
12% Butterfat (per gallon).....	---	.95
14% Butterfat (per gallon).....	---	1.10

EXHIBIT D.

RULES OF FAIR PRACTICES.

The following practices are unfair and shall not be engaged in by contracting distributors or by their officers, employees, or agents:

1. Any method or device whereby fluid milk is sold or offered for sale at a price less than that stated in the Agreement, whether by any discount, rebate, free service, merchandise, advertising allowance, credit for fluid milk returned later than the day of delivery, loans or credit outside the usual course of business, or other valuable considerations, or combined price for such milk, together with another commodity sold or offered for sale (whether separately or otherwise), or whereby a subsidy is given for either business or information or assistance in procuring business, provided that a contracting distributor may give no more than one sample bottle a month to any prospective customer.

2. To place a salesman on a route which, within six months previously (or, in the case of seasonal territories, one year previously), he had covered in whole or in part for any other contracting distributor.

We, the undersigned, hereby authorize W. P. Sadler to consent on our behalf to the correction of any typographical errors, which the Agricultural Adjustment Administration may consider it advisable to make in the Marketing Agreement for Milk, Richmond, Virginia, Production Area.

Organization or firm name.

S -E-A-L (if corporation)

At a duly convened meeting of the Board of Directors of

held at

on the _____ day of _____

There was presented, read and explained to the meeting, a draft of an Agreement for Milk for the Richmond, Virginia, Production Area, as tentatively approved by the Secretary of Agriculture; and an authorization to correct typographical errors.

On motion duly made and carried, it was

RESOLVED THAT _____
shall become a party to said Agreement, and be it further resolved
that _____ (title)
and _____ (title)
be and they hereby are authorized and directed, in the name of this
company, to sign, execute and deliver to the Secretary of Agriculture
the said Agreement, together with the authorization naming W. P. Sadler
to correct typographical errors.

It is hereby certified that the above record is a true and correct copy of that part of the minutes of the above named meeting, as the same appear in the Minutes Book of the Company.

Secretary (S-E-A-L)

ALSO IMPRESS SEAL AT SIGNATURE IN BODY OF THE CONTRACT.

